



Order No. 2017-06-031

**AN ORDER OF THE COUNCIL OF THE CITY OF NOGALES, ARIZONA, ADOPTING THE OFFICIAL  
FINAL BUDGET FOR FISCAL YEAR 2017-2018, AS PRESENTED. (FINANCE)**

WHEREAS, in accordance with Title 42, Chapter 17, Articles 1-5 Arizona Revised Statutes (A.R.S.), the Mayor and Council on June 7, 2017, made an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct ad valorem property taxation (the City imposes no taxes on real or personal property); and

WHEREAS, in accordance with said chapter of said title, and following due public notice set forth therein, the Mayor and Council met in a special meeting on June 21, 2017, at which time any taxpayer was privileged to appear and be heard in favor of or against any of the proposed revenues or expenditures; and

WHEREAS, it appears that the publication has been duly made as required by law, of said estimates together with a notice that the Mayor and Council would meet on June 21, 2017, in the Council Chambers, City Hall, for the purpose of hearing the taxpayers and making tax levies as set forth in said estimates; and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate exceed that amount as computed in A.R.S. Section 42-17051(A), in that no property tax is levied; and

WHEREAS, Section 77 of the Charter of the City of Nogales requires that the salaries, wages and remuneration of all appointive officials and employees of the City of Nogales shall be fixed from time to time by order of the Council; and

WHEREAS, the Board of Trustees of the City of Nogales Employee Benefits Trust (EBT) has made a recommendation of an 8 percent increase to the monthly premium for both single and dependent coverage.

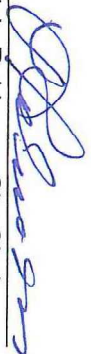
NOW THEREFORE, BE IT ORDERED BY THE COUNCIL OF THE CITY OF NOGALES that:

1. The said estimates of revenues and expenditures as presented in the accompanying schedules are hereby adopted as the official budget of the City of Nogales for the fiscal year 2017-2018;
2. The City of Nogales group health plan premiums, effective with the start of FY2018, is hereby increased 8 percent for both single coverage and dependent coverage to help maintain plan solvency.

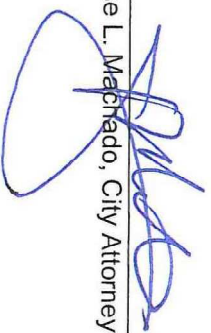
**PASSED, ADOPTED, AND APPROVED** by the Council of the City of Nogales, Arizona, this 21st day of June, 2017.

  
John F. Doyle, Mayor

ATTEST:

  
\_\_\_\_\_  
Leticia Robinson, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jose L. Machado, City Attorney

SUBJECT: Adoption of the FY2017-18 final budget and adoption and ratification of the City of Nogales' health insurance premium increases.

BACKGROUND: State law requires the city to adopt a final budget after adopting a tentative budget and publishing a notice of public hearing and budget schedules.

The Nogales City Council adopted the FY2018 tentative budget on Wednesday, June 7, 2017 through Order 2017-06-027.

The tentative budget establishes the maximum expenditure limit for the upcoming fiscal year.

The City of Nogales also had a notice of public hearing and the required budget schedules published in the Nogales International on Tuesday, June 13 and Tuesday, June 20, 2017.

The public hearing occurred on Wednesday, June 21, 2017 prior to the consideration of this Order.

The following is a recap of the FY2018 budget across all funds combined based on the maximum expenditure level Council adopted as the FY2018 tentative budget:

Operating budget =	\$50,493,177
Capital budget =	\$ 701,541
Internal Services =	\$ 925,213
Grants Budget =	\$ 1,805,794
Total budget =	\$53,925,725

Funding to cover the total expenditure level for FY2018 will be provided by projected beginning budget basis fund balances and projected incoming revenue streams. The primary sources of revenue include the city's sales tax, state-shared revenue, fees, fines, permits and utility user fees.

The FY2018 budget is balanced between revenue sources and expenses as required by state law. Some features of the FY2018 budget include the following elements:


- projected impact of the increase to the Public Safety Personnel Retirement System (PSPRS)
- Health insurance premium increase (8% to both single and dependent coverage.)


Single Coverage = \$462.50


Dependent Coverage = \$723.50

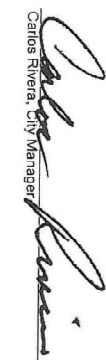
(Employee share of Single premium to increase by 25%, and Employee share of Employee plus dependent premium to increase 15%)

- FY2018 annual premiums for workers compensation and property & liability insurance
- \$2M General Fund contingency reserve, the same amount incorporated into the FY2017 budget.

  
\_\_\_\_\_  
Jeanette Parales, Finance Assistant Director 6/20/2017

  
\_\_\_\_\_  
Michael Masee, Deputy City Attorney 6/20/2017

  
\_\_\_\_\_  
Jeanette Parales, Finance Assistant Director 6/20/2017

  
\_\_\_\_\_  
Carlos Rivera, City Manager 6/20/2017